

LOCKHEED MARTIN



Stephen Evanoff
Director
Corporate Energy, Environment, Safety & Health Programs

July 16, 2001

Mr. Gerard J. Thibeault
Executive Officer
California Regional Water Quality Control Board
Santa Ana Region
3737 Main Street, Suite 500
Riverside, CA 92501-3339

Dear Mr. Thibeault:

This report is submitted in accordance with the approved August 15, 1997 Work Plan and Schedule prepared under Cleanup and Abatement Order No. 97-58. It covers activity from April 2001 through June 2001.

Perchlorate Sampling

Monthly sampling for perchlorate in selected production wells has been ongoing. The results have been submitted previously to the Regional Water Quality Control Board (RWQCB) (Production Well Sampling Reports, and the Water Supply Contingency Plan Report).

Modeling

Updated perchlorate plume maps for 1998 and 2000 were prepared reflecting the increased density of information available.

Perchlorate Treatment Technology Update

Lockheed Martin Corporation completed pilot scale testing and engineering design evaluations for perchlorate treatment by ion exchange. The La Puente treatment plant was granted an operating permit by the DHS in March 2001.

City of Loma Linda

Installation of the new MV-5 well was completed. Drillers met in advance with the city and local residents to explain the work. A noise abatement and vibration control program was implemented. Drilling began in late June and was completed in early July.

Discussions are ongoing with the city to finalize the details and specifications for the new pumps and motors to be installed in MV-4 and -5 and R-4.

Victoria Farms

Lockheed Martin Corporation is continuing to work with Victoria Farms on establishing a permanent connection to San Bernardino and abandoning the existing water supply wells. Our ongoing dialogue has resulted in a conceptual agreement that is being coordinated between Lockheed Martin Corporation, Victoria Farms and San Bernardino.

City of Redlands

City of Redlands has approached Lockheed Martin Corporation about their need to increase the capacity of water supply to their 1370 pressure zone. Discussions to determine the best course of action are underway.

Mountain View Power Company (formerly Southern California Edison)

No activity to report during this period.

Loma Linda University

No activity to report during this period.

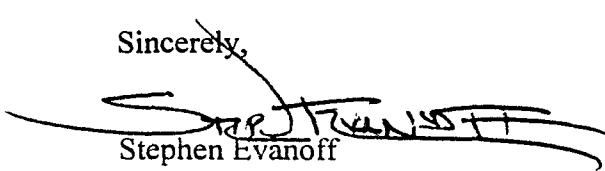
Perchlorate Study Group

The Perchlorate Study Group (PSG) has completed the additional health effects studies as agreed upon with Federal EPA and the Department of Defense. The PSG submitted the results and required quality assurance data for these studies to Federal EPA. Federal EPA has not indicated a firm schedule for establishing a reference dose for perchlorate.

In California, OEHHA has stated that they will finalize a Public Health Goal (PHG) by July 2002. OEHHA is conducting a Confidential Internal Peer Review, which will be completed in the Third Quarter of 2001. OEHHA will publish a draft PHG in the fourth quarter of 2001. OEHHA does not have the results of the PSG/EPA studies, but will incorporate these results if received from EPA before the PHG is finalized. The PSG continues to maintain a dialogue with OEHHA and is providing technical data to OEHHA in support of their efforts.

The next quarterly update will be submitted on or about October 15, 2001. If you have any questions, please contact me at 303.971.1880.

Sincerely,



Stephen Evanoff

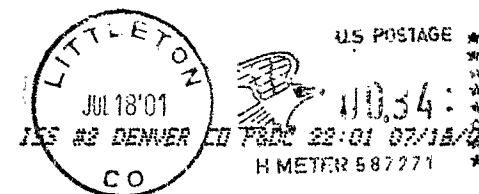
Director, Redlands Project

Mr. Gerard J. Thibeault
July 16, 2001
Page 3

cc: Kalyanpur Baliga, DOHS
Jon Satrom, USAF, North Air Force Base
Wesley Danskin, US Geological Survey
Dodie Farmer, Victoria Farms
Gary Snyder, COLL
Chris Bahnsen, San Bernardino Valley Water Conserv. District
Doug Headrick, City of Redlands
Ross Lewis, Gage Canal Company
Kevin Mayer, US EPA
Steve Mains, Western Municipal Water District
Morris Matson, LLU
Eugene McMeans, Riverside Highland Water Company
Zahra Panahi, City of Riverside
Bob Reiter, San Bernardino Valley Municipal Water District
Toby Roy, DOHS (San Diego)
Alain Sharp, Earth Technology Corporation
Joseph Stejskal, City of San Bernardino
Dieter Wirtzfeld, City of Riverside

Lockheed Martin Corporation
Corporate Environment, Safety & Health
7921 Southpark Plaza, Suite 210 Littleton, CO 80120

LOCKHEED MARTIN



Kevin Mayer
U.S. EPA, Region IX
75 Hawthorne Street
San Francisco, CA 94105

94105-3920 04

